

**STATE CONTROLLER'S OFFICE  
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES  
SEPTEMBER 2007**

Date: October 11, 2007

To: All Civil Service/Exempt Departments

From: State Controller's Office  
Cynthia Rounds, Manager  
Ann Mitchell, Manager  
Personnel/Payroll Operations  
(916) 324-6290/322-7978

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the September 13, 2007 Personnel/Payroll Review Committee (PPRC) meeting and provides information for the November 8, 2007 meeting.

We would like to thank those department representatives that participated in the September meeting for their time and effort. There were 31 representatives from 21 departments that participated in this meeting.

Personnel/Payroll Review Committee  
September 13, 2007 Meeting Notes

Cynthia Rounds called the meeting to order at 1:30.

Departments Represented:

Board of Equalization, California Horse Racing Board, Child Support Services, Commission on Teacher Credentialing, Conservation, Corrections, Emergency Services, Financial Institutions, Fish and Game, Food and Agriculture, Forestry and Fire Protection, Franchise Tax Board, Health Services, Industrial Relations, Justice, Lottery, Mental Health, Personnel Administration, Water Resources and Water Resources Control Board.

Old Business:

None.

New Business:

Agenda Items  
Distribute Handout Materials  
Approve Prior Meeting Notes  
Guest Speakers  
SCO Update  
Department Issues/Concerns  
Confirm Next Meeting Agenda, Time and Place

Discussion:

Approved July 2007 meeting notes.

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Guest Speaker: Mara Bouvier of CalPERS Benefits spoke regarding [Health Open Enrollment 2007-2008](#) and provided an excellent PowerPoint presentation. She brought two subject matter experts, Richard Ramsey and Desiree Boyer to answer questions. She also discussed online tools such as 'My/CalPERS' to assist on choosing a health plan and to search plans by zip code. Her email address is: [Mara\\_bouvier@calpers.ca.gov](mailto:Mara_bouvier@calpers.ca.gov).

Question: Is there a link to circular letters on your website?

Answer: Yes there is, as well as the corresponding attachments and referring links.

Question: Can I go to 'My/CalPERS' to change my address? What happens if I don't change my address with Controller's?

Answer: Changing your address on the CalPERS website is mainly for our data source information so that we may be able to physically get information to you when needed. I believe there is some kind of communication effort being made so that current data may be exchanged. If the Controller's Office needs data from us all they have to do is call and communicate that to us.

Question: As you mentioned in your presentation, some health plans are not available in all counties. When the HBD12's start coming in, do we as an HR office need to insure that coverage is valid for the employee in that area? Will you give us some kind of report?

Answer: We will let you know if you've enrolled someone in an 'out of the area'. We are trying to put more of the responsibility on the employees so when speaking with them have the check and recheck. What we are trying to do is educate you so you can help them. We want to make your job easier.

There is also a ZIP Code Search tool available; however, HR is not responsible for editing each HBD-12 that is received. In addition, the transaction will not key if a member tries to enroll in a plan that is not in their ZIP Code.

Question: When I'm keying to ACES and the system identifies a zip code will it warn us the health plan the employee wants to enroll in is not valid?

Answer: It shouldn't allow you to finish the transaction because you are choosing a health plan that wouldn't be available.

Question: What if an employee decides to enroll in Blue Shield NetValue that has a smaller group of physicians and they select a doctor that isn't in that group, are we going to need to verify before we key it?

Answer: No. Blue Shield will notify a member when a doctor is not available. The employee can also contact Blue Shield and they will send them a list of physicians that are in that plan. There may some switching since it is a new plan so we're pretty lenient if after open enrollment they want to pull back and rescind their choice they can.

Question: Where are Western Health Advantage (WHA) employees going if they don't fill out an open enrollment form? Will they automatically be re-enrolled into another PPO?

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Answer: WHA members were notified by letters dated August 10, 2007 that they must choose a new plan. Otherwise they will be enrolled in PERS. In a PPO plan a member may choose any doctor in the PPO network.

Desiree: I just want to remind everyone the first set of auto enrollment for the NetValue took place last weekend and the final half will be completed this weekend. So you may see some employees who have rolled over and others that haven't as this was a two weekend process.

Question: I have Blue Shield and want to remain with them. I didn't see a form to complete so I contacted them. I was told that I would remain the same and we'll worry about it later. I didn't feel very comfortable with this answer. Is there a way to find out if I am still enrolled in Blue Shield?

Answer: Concerned employees can contact us at 1-888-CalPERS (1-888-225-7377).

Blue Shield members with a doctor in the NetValue network were auto enrolled unless they submitted a form from Blue Shield not to enroll. If enrollment defaulted, HBB will rescind by processing those that did not wish to enroll in NetValue but desire to remain in Blue Shield's Access+ plan.

Question: The auto enrollments for people that were in Blue Shield now going to NetValue; what if they sent in the form before the deadline but they still received the letter stating that they were changed?

Answer: We will honor that. (See above—these will revert.)

Question: We won't have to have employees do a form?

Answer: No, we are not requesting they fill out anything if they've been rolled over and shouldn't have been or never wanted to be. We are putting notes in our system because we are having people call changing their mind. We will allow that through open enrollment but after that point the plan can't be changed until next year.

Question: Are PERS Choice and PERSCare part of Blue Shield?

Answer: Yes, they are. Blue Cross administers PERS Choice and PERSCare. The Prudent Buyer Network of doctors includes Blue Cross/Blue Shield network referred to as "Blue Card" because they provide worldwide coverage.

A comment was made that between Blue Shield HMO and Blue Shield NetValue is essentially the same coverage the only difference being the number of doctors you're able to choose from; less specialists and different medical groups. NetValue is UCD doctors and Hills doctors.

Mara mentioned that every year this issue is renegotiated and things change yearly so who knows where we'll be in twenty or fifty years.

Guest Speakers: Lynn Morse and Tracy Williams of the State Controller's Office, PPSP, Collective Bargaining Unit spoke about the changes in the printing of the Notice of Personnel Action (NOPA).

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We want to let you know we are changing the printing of the NOPA. It is currently printed on an impact printer with 3 part carbonless paper and we are switching it to a laser printer. We are hoping to implement this by the first of the year. We would like your input on how many copies you absolutely need and what kind of paper you prefer it on. The choice of paper is 8 ½ by 11 inch or what is called two-up which is two pages printed side by side and is perforated in the middle.

Question: Will the verbiage on the NOPA change?

Answer: No, when the 21<sup>st</sup> century comes up we may not need or have a NOPA. The only thing that might change is if we decide to use the 2-up paper the size of the print may be different to fit on the page(s).

A letter will be going out letting you know when this change will be taking place and what selection was made.

If you have any questions or comments please call Tracy at 324-1293 or email at: [twilliams@sco.ca.gov](mailto:twilliams@sco.ca.gov).

SCO Update:

Ann Mitchell addressed the following items:

The employee address that Mara covered earlier for Open Enrollment is also very important this time of year for W-2's. Every year during the month of October the employee's home address is printed on their earnings statement(s) as a reminder to change the mailing address if needed.

Dental Issues: If you have a new employee and the deduction was taken from their check but they are denied benefits from their provider; you must contact DPA.

If a birth date is wrong in the carrier's system, contact DPA. DPA will contact the carrier. PPSP has no authority to contact the carrier directly. DPA is the program administrator and has the access.

Health Vesting: Human Resources staff should refer to Payroll Letter 07-002 prior to calling the Benefits Unit to inquire about the party code and/or rate.

Open Enrollment: This enrollment period starts September 15<sup>th</sup>. We will not accept any documents with a prior date. Open Enrollment extends to October 12, 2007. Please submit your documents on a flow basis and as quickly as possible during this period.

PI FLEX hours: Do not submit PI flex at this time. Hold these until after June 2008 when they can be processed.

Payroll Issues: We received approximately 20,000 employment history messages from the 7/01/07 GEN cycle. We have a task force working on these. We are processing specific like transactions such as the salary adjustments for positive paid employees and the system thinks they are overpaid. An example of that would be an employee who is paid 179 hours in a 22 day pay period. These must always be done by our staff. It is going to take us quite a number of days to get through this workload.

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GEN related payments: If you are looking for GEN related pay, please wait a minimum of two weeks (from today) and then call the phone liaison unit. They can tell you what date of employment history our staff is working on. Do not submit 674's for GEN adjustments unless you have a situation such as a mid-month position change with dock, where we must have certification from you. Incoming 674's can and do get processed in the same time frame as the employment history messages so you run the chance of ending up with duplicate payments. If you find out we have completed the 8/28/07 cycle and you did not receive all the GEN pay you were expecting, a 674 is still not needed. Our phone staff will act on your phone call and see that the appropriate staff is notified to issue the pay.

This is also true any time a salary adjustment is due per employment history. You should not need to complete and submit 674's for a clean pay period. It is our job to issue these payments from the Employment History message. If we miss one, we have our error resolution process in place so that once you notify us, we take care of it.

Question: What about salary rate adjustments for overtime?

Answer: We will adjust overtime rates as long as it's not an FLSA payment. Those have to be adjusted per a 674.

Question: What if a person retires before 7/1/07 but their lump sum extends beyond that date and item 962 shows a different rate? Will you be able to adjust the lump sum per the employment history message?

Answer: If you have a PAR with a special rate in item 962 you might want to call the phone liaison unit and they should be able to tell you whether or not you need to send in a 674.

Question: If a lump sum adjustment is overlooked, will we receive a PR250 or a phone call letting us know you couldn't issue the adjustment?

Answer: If we do not adjust a lump sum payment, please call the phone liaison unit. They will let you know if any action is required on your part.

Question: What about GEN adjustments for Holiday pay?

Answer: Those don't automatically adjust per employment history. We are working on them but the GEN adjustments for regular pay have priority.

Year End Separations with Special Handling: The Year End Separation Handbook is now out on the SCO website. Please note this site since we are not giving the class this year. The link to this handbook is:

<http://www.sco.ca.gov/ppsd/empinfo/misc/lumpsum.pdf> .

Original Overtime: We continue to receive original overtime requests on the STD. Form 674 and this is incorrect. Original overtime requests, that are PIP Exceptions, must be submitted on the Form STD. 671 – Miscellaneous Payroll/Leave Actions Form – with a PIP Exceptions Transmittal telling us why you were unable key it via PIP.

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674 Completion: Please remember to complete the Earnings ID's on the 674's, 674 A/R's and 671's that you submit to us for processing. Payment types or an abbreviated name of the pay written in the remarks section is not sufficient for us to process the pay expediently.

PR250s: It is not always necessary to respond to a PR250 that has been sent to you. If you see that the request has already been taken care of by the time the PR250 reaches your agency, then just file the notice regarding the action.

Before you send a 674 in to PPSD, please verify pay history. Many times what the 674 is requesting to be adjusted for the employee has already occurred before the 674 is sent in.

Garnishment issues: For child support garnishments, be sure to:

- 1) attach a copy of the court order,
- 2) staple the court order to the 638,
- 3) send it to PPSD not the SDU at Child Support Services, and
- 4) verify that we have not returned the form before calling us.

Debbie Soto of the Premium Pay Unit discussed completion of the 674. Because there are many different payment types it is sometimes hard to decipher what departments really want to be paid. To help clarify this she handed out samples of correct/incorrect completed 674's. Only like payments (similar payment types) should be shown in Items 6A and 6B. For example, if you are requesting an adjustment for a Payment Type 8, you must show all Payment Type 8's that have issued and should be paid in the pay period on the 674 or 674AR. It is not necessary to show other Payment Types on the document (e.g. 0's, 1's, 2's, 9's, etc.) if those payments have been paid correctly.

Please complete the Earnings ID on all Premium Pay documentation.

Also, we are receiving 674's with Item 6B completed as two line entries for one payment due. For example, the employee was paid 20 hours of overtime pay and an adjustment of salary was issued at a later date. Employee is now due 30 hours of overtime pay all at the higher rate. The 674 is completed with Item 6A showing the 20 hours of overtime and the salary adjustment that have issued. Item 6B is showing a two line entry with the first line requesting 30 hours at the original lower salary rate and the 2<sup>nd</sup> line is requesting the salary rate adjustment only. Item 6B should be completed as a summarized total of 30 hours at the higher rate. To date, we have been accepting these 674's with a correction by phone, however beginning in October, if 6B is not completed correctly the documents will be returned to you. If you have any questions please call her at (916) 322-4461 or email her at [dsoto@sco.ca.gov](mailto:dsoto@sco.ca.gov). Additional handouts can be sent to you upon request.

Cindy Rounds provided the following:

Position Control: SB86 would have changed the six months of vacancy to 12 months. AB199 reversed the language of SB86 so it remains six months, if a position has been vacant for six consecutive months, it will be lost at the end of that fiscal year June 30<sup>th</sup>.

All technical inquiries have been worked and the last processing will occur in the next two cycles. All GC12439 related processing must be completed by September 27<sup>th</sup> to reflect correctly in the final vacant position report that goes to the legislature October

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15<sup>th</sup>. If you have a document you are concerned about you should call us as soon as possible. My phone number is 324-6290, Laura Miller's phone number is 322-4170.

Direct Deposit: Direct Deposit has added another staff (Richard Morgan) to help handle the increased volume and complexity of the workload.

Disability: Departments will need to submit Form STD. 674/674D to request GEN adjustments for the following payments that have issued for the 7/2007 and 8/2007 pay periods:

- Industrial Disability (IDL)
- Temporary Disability (TD)
- Non-industrial Disability (NDI) if benefits began after the 6/2007 pay period
- Supplementation pay while on SDI and was paid at the old rate and not adjusted to the new GSI rate.

Also verify the IDL/S time as it may change.

We will accept copies of the original disability request but the copy must be legible and have an **original signature**. Please indicate 'GSI' adjustment in the remarks section of the document. Do not fax the documents.

Personnel Audits: We are working on the GEN cleanup – those records that have to be posted manually. Our goal is to have this done by master cutoff and we should make this goal.

We are finding many times when we cancel a PAR it is returned to us without the corrections being made. Please ask your staff to read the PSD40 and address all items before resubmitting the PAR.

When sending in PAR packages, as the result of a stipulated agreement, please be sure the documentation and the stipulation agree. This includes dates, salaries, etc. If they do not agree the PAR package will be cancelled.

Please make sure you are only faxing separation documents that must be keyed per AB2410. Any other faxes must be approved first. Also make sure your faxes are clear and legible.

PAR's: Staff just started releasing the GEN turnaround PAR's today and we expect to complete this process by Monday.

Question: Once an employee becomes a Retired Annuitant will their deductions still come out if the employee doesn't have a 60 day break in pay?

Answer: Yes, unless you cancel them they will come out.

Question: At the last PPRC meeting you said you were going to have someone from the 21<sup>st</sup> Century Project come and speak, what happened?

Answer: We did ask but they weren't able to come. We are hoping someone will be able to make the next meeting.

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Question: Would it be possible for Dana to attend the next PPRC to answer any question we may have on Year-End Settlement since you won't be offering training this year?

Answer: We will see what we can do. It would depend on how many guest speakers we have as well as her workload.

Question: I have an employee that had an S41 and was due money per a stipulation. When he was brought back he was supposed to receive his full benefits, salary and interest. The employee was questioning why state taxes came out when he resides in another state.

Answer: You have to pay state taxes if you work in the state of California. There are certain agency/reporting units that are associated with employees that work in another state and do not pay California state taxes however, we withhold that states taxes.

Question: Will he receive a W-2 for the 2007 tax year?

Answer: Yes, he will.

Next meeting:

The next meeting is Thursday November 8, 2007 from 1:30 to 3:00 at:

State Controller's Office  
300 Capitol Mall, 6th Floor, Room 635  
Sacramento, CA 95814

The PPRC encourages attendance by department representatives interested in improving the efficiency of personnel/payroll administration. However, if you are unable to attend these meetings and you have an issue or question you would like the committee to address; please contact Cynthia Rounds or Ann Mitchell with pertinent information.

Listed below are the PPRC meeting dates for the 2008 calendar year. All meetings are from 1:30 to 3:00 at the above location.

January	10,	2008
March	13,	2008
May	8,	2008
July	10,	2008
September	11,	2008
November	13,	2008

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact either Cynthia Rounds at (916) 324-6290 or Ann Mitchell 322-7978. They can also be reached via email at [crounds@sco.ca.gov](mailto:crounds@sco.ca.gov) and [amitchell@sco.ca.gov](mailto:amitchell@sco.ca.gov), respectively.